



Director of
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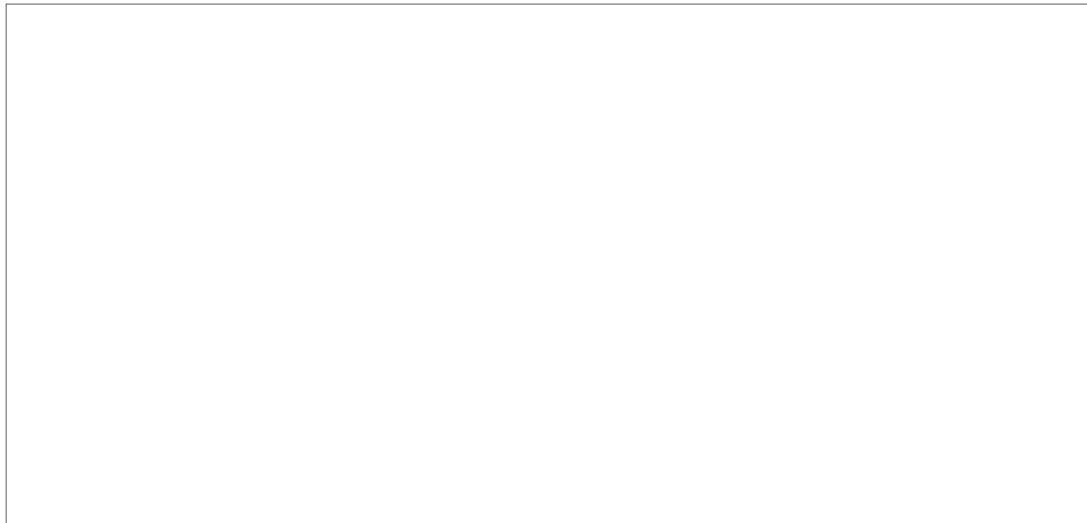
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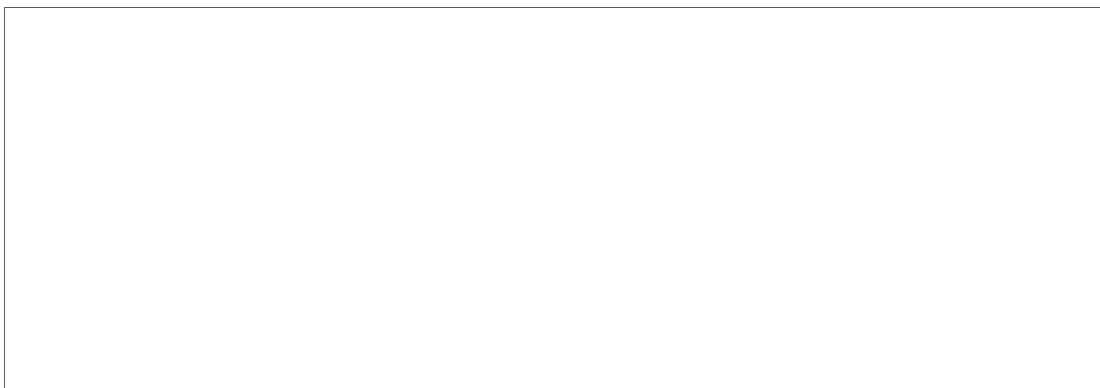
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SOUTH AFRICA: Arms Export Drive

The Armaments Corporation of South Africa has launched a major sales drive to increase its share of the international arms trade to a public target of \$130 million in 1983.

The UN arms embargo has forced South Africa to develop an extensive domestic industry for meeting its defense needs. The Corporation reportedly has now exceeded many of the military's basic requirements, and the current economic slowdown has led to pressures to cut back its production. The Corporation, however, hopes to maintain production levels by marketing more of its weapons abroad.

In September the Corporation unveiled its new self-propelled 155-mm field gun, which is not yet available for sale. The publicity surrounding its development is being exploited to demonstrate the sophistication of the South African arms industry.

1-6 The Corporation also hopes to benefit from the adverse publicity South Africa received in the Western press at the time of the conflict in the Falkland Islands.

Comment: There is likely to be some increase in South African arms sales to Third World countries, but the level of trade probably will not meet Pretoria's high expectations. Most Third World customers can obtain weapons from other industrialized countries without the taint of doing business with the South Africans. Prospects for arms sales between South Africa and other politically isolated nations, however, may have been enhanced.

Of greater importance, South Africa may now be viewed more seriously as an alternative source of weapons in those instances where policies of the US or other Western countries limit or prohibit access to regular arms suppliers.

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